

# The NSW BUDGET <sup>2020</sup>/<sub>2021</sub>



## OVERVIEW



**CREATING JOBS *and*  
SECURING OUR FUTURE**



# CREATING JOBS *and* SECURING OUR FUTURE

## NSW Treasury

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### NSW Budget 2020-21 publications include:

Budget paper no. 1 Budget Statement  
Budget paper no. 2 Outcomes Statement  
Budget paper no. 3 Infrastructure Statement  
Budget paper no. 4 Agency Financial Statements  
Budget paper no. 5 Appropriation Bill  
Treasurer's Speech  
Overview  
Regional NSW  
Buying in NSW, Building a Future

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*I am honoured to present the 2020-21 NSW Budget: a Budget that responds to the urgent needs of our people, while looking beyond the present crisis, to lay the foundations for a prosperous post-pandemic future.*

## TREASURER'S MESSAGE

*When the first case of a new coronavirus was detected in November 2019, NSW was gearing up for Christmas, unaware of the challenges that lay ahead.*

What followed was one of the toughest 12-month periods our State has endured. Catastrophic bushfires, followed by a global pandemic – a health and economic crisis that has taken a significant toll on everyone in NSW.

From the beginning, our Government resolved to do whatever it takes to safeguard the community's health, keep people in jobs and businesses in business with a **\$29 billion** health and economic support package – the largest of any state.

Twelve months – to the day – after that first COVID-19 case was detected, I am honoured to present the **2020-21 NSW Budget**: a Budget that responds to the urgent needs of our people, while looking beyond the present crisis, to lay the foundations for a prosperous post-pandemic future.

This Budget uses our fiscal firepower – built up over many years of strong fiscal management – to provide the support our people need, before charting a prudent course to reinforce our finances, so we are ready for the next shock.

Our top priority is keeping NSW safe as we continue to reopen, investing in the health system that has made NSW the standout success in the fight against COVID-19, with more support for **testing, contact tracing and hotel quarantine**.

We are offering a helping hand to those most affected, with major investments in **mental health support** and to address **homelessness**, extending **free preschool** to the end of 2021, and providing intensive **tutoring in every school** to ensure no student is left behind after a rollercoaster year.

With the pandemic pushing the economy into recession and rendering hundreds of thousands of people jobless in NSW, this Budget puts **job-creation** front and centre, unleashing **targeted, temporary stimulus** to kick-start our jobs recovery.

Meanwhile our **Out and About** initiative will put **\$100 of vouchers** in the wallets of every resident adult to go out and enjoy the best that NSW has to offer, injecting hundreds of millions into our hard-hit hospitality and tourism sectors.

As well as responding to immediate needs, this Budget looks to the far horizon, targeting key areas to forge a better future for our people.

We will **build a better NSW**, with another record **\$107.1 billion infrastructure pipeline**. We're securing **quality services for everyone in NSW** and making them easier than ever to access. And we are **investing in our people and their future**, with education and skills programs to match the jobs of the future.

We're **making it easier to do business** and letting the entrepreneurial spirit of our state soar, with less red tape and **cutting \$2.4 billion in payroll tax**, and we are deepening our industrial capacity, supporting **strong local industry with a big global outlook**.

This Budget also embarks on a bold agenda of **economic reform for lasting prosperity**, launching a pathway to give home-buyers **choice** to axe one of our most archaic taxes: stamp duty, which adds tens of thousands of dollars to the cost of buying a home.

It's a reform that could deliver economic dividends for our state for generations to come, but before we proceed, we want to get your feedback and make sure we get it right.

The challenges ahead will not be easy, but nowhere in the world is better placed to rebound from this crisis than NSW. That's a testament to our people, who have pulled together and risen to the challenge.

Our future success will depend on everyone continuing to do their bit. This Budget is the NSW Government's commitment to leave nothing in the tank, as we work together with the people and businesses of NSW to get our state back on the path to strong, steady recovery.



**Dominic Perrottet**  
**NSW Treasurer**



# 01. Budget 2020-21

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*The NSW Government's number one priority in responding to COVID-19 has been to safeguard the health of the community. Decisive action was taken to contain the health risks by limiting the movement of people around the state and bolstering frontline health services.*

The NSW Government has responded to one of the most challenging periods in our lifetimes with three back-to-back crises of severe drought, the 2019-20 summer bushfires and the COVID-19 pandemic.

Although the successful re-opening of the State's economy has helped businesses re-open their doors, allowing people to return to work, the economic recovery will take time.

Building on the initial crisis response, this Budget sets out the NSW Government's goal to ensure a prosperous post-pandemic recovery: a focus on new stimulus measures to kick-start the economy and create jobs, while laying the foundations for sustained growth with a concrete plan for reform.

By complementing the Commonwealth Government's income tax relief and the Reserve Bank of Australia's monetary policy settings, the stimulus measures will support the NSW unemployment rate to trend back to 5 ¼ per cent by June quarter 2024.



The restrictions that COVID-19 has placed on the world's economic activity



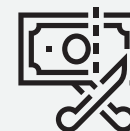
has led to significant reductions in State revenue



and the largest state economic support package ever of \$29 billion,



leading to a budget deficit for 2019-20 of \$6.9 billion,



and a projected deficit of \$16 billion in 2020-21.

Key to enabling the Government's response to the health crisis and the support measures in this budget has been the State's strong financial position in recent years. Despite this, the pandemic has placed immense pressure on State finances, with significant reductions in State revenue, and increased expenditure to provide much needed health and economic support.

This has resulted in NSW recording a budget deficit for 2019-20 of **\$6.9 billion**, with a projected deficit of **\$16 billion** in 2020-21. This outcome reflects the Government's commitment - made early in the pandemic - to put people before the budget result.

However, the Government remains committed to ensuring that the people of NSW have the security of a strong fiscal

position to meet any future challenges that may arise. That is why, in addition to delivering stimulus to create jobs and boost confidence in the short term, the Budget also charts a clear course to reinforce the State's fiscal position over the medium-term. Based on current conditions, this Budget projects a return to surplus by 2024-25, with net debt to return to around 7 per cent of Gross State Products (GSP) over the medium-term.

While this budget lays out a path to recovery by providing more stimulus spending, importantly, it leverages the opportunity presented by COVID-19 to pursue economic and productivity reform. This will ensure that the recovery is long-lasting, and that NSW remains the best place to live and work.



# 02. Rapid response to COVID-19

*The COVID-19 pandemic has placed the physical health of our community under threat, but protecting our economy — the jobs and businesses that sustain our people — is another vital part of securing our current and future wellbeing.*

The NSW Government responded quickly, with additional resources and funding to provide a targeted, timely **\$29 billion** health and economic support package — the largest of any state.

## HEALTH RESPONSE

The NSW Government has committed more than **\$3 billion** to facilitate our world-class health response since COVID-19 was declared a pandemic. The NSW Government's early response to the pandemic turbo-charged the State's health system capacity — quadrupling intensive care capacity in NSW hospitals, resourcing highly effective testing and tracing capabilities, and employing effective hotel quarantine and purchasing more than \$1 billion in personal protective equipment (PPE) to keep frontline workers safe.

The NSW Government committed:



**\$29 BILLION**

of health and economic response support package



**\$3 BILLION**

to facilitate COVID-19 health response



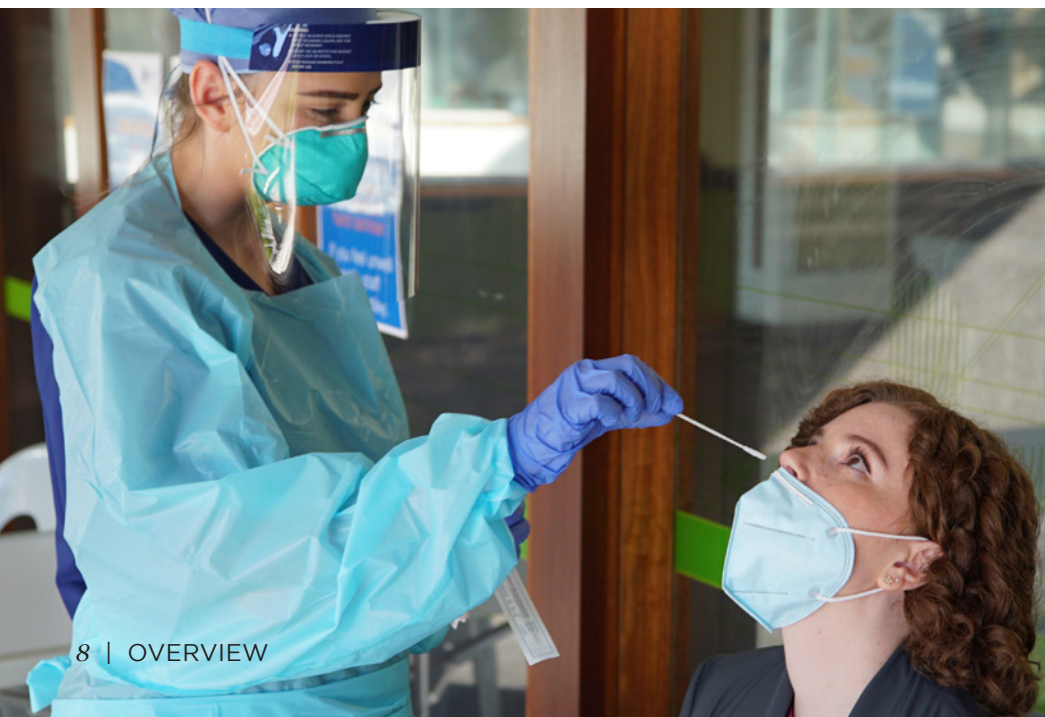
**\$1 BILLION**

Working for NSW Fund to sustain businesses, create cash flow and retain employees



**OVER \$6 BILLION**

waived or deferred taxes, fees and levies





As a result, NSW has achieved some of the best health and economic outcomes in the world – a gold standard for COVID-19 management, including contact tracing and the availability of COVID testing. This has placed NSW in the unique position of being able to limit the spread of the virus over a sustained period, provide exceptional care to those who need it, all the while keeping the economy open to the greatest extent possible.

## ECONOMIC RESPONSE

The effects of COVID-19 are wide-ranging and so has been the Government's response – supporting not only healthcare. The NSW Government remains committed to creating and supporting jobs for the people of NSW. Keeping businesses afloat is critical to keeping households afloat. This keeps our economy in the best possible shape to bounce back when this health crisis has passed.

COVID-19 economic response measures (2019-20) have included:

- The creation of a **\$1 billion** Working for NSW Fund to sustain businesses, create cash flow and retain employees across NSW Government and non-government businesses.
- Over **\$6 billion** in waived or deferred taxes, fees and levies, including payroll tax and licencing and registration fees to support businesses.
- Targeted assistance to specific industries impacted by COVID-19 shutdowns, including:
  - **\$50 million** for arts rescue and restart
  - **\$27.3 million** for sports
  - **\$11.6 million** to support the taxi industry.
- Additional support to keep vulnerable people safe during the initial stages of the pandemic including:
  - **\$10 million** to charities in NSW
  - Fee relief for community and mobile preschools
  - **\$30 million** to expand the Energy Accounts Payment Assistance (EAPA)
  - **\$34.4 million** for a homelessness package
  - **\$29.8 million** to protect victims of domestic violence
  - **\$6 million** in assistant for refugees, asylum seekers and migrants
  - **\$20.1 million** to support international students with temporary crisis accommodation.

The NSW Government's COVID-19 response measures have made a real impact across the State:



Almost 37,000 small businesses have accessed a

**\$3,000 GRANT**

to help them to adapt their business model to operate in a new COVID-safe environment



**MORE THAN 2,200**

new households and

**2,595**

existing households have been assisted to access secure housing with rental subsidies through Rent Choice packages



**MORE THAN 4,100**

rough sleepers and

**22,208**

people experiencing other forms of homelessness have been provided temporary accommodation

# 03. Economic Recovery and Reform

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*Building on the initial crisis response, this Budget sets out the NSW Government's commitment of \$29 billion to ensure a prosperous post-pandemic recovery: a focus on new stimulus measures to kick-start the economy and create jobs, while laying out the foundations for sustained growth with a concrete plan for reform.*



**BUILDING A BETTER NSW**



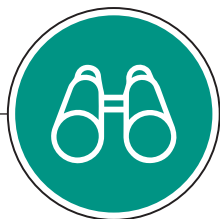
**INVESTING IN OUR PEOPLE AND THEIR FUTURE - education, skills and jobs**



**DELIVERING QUALITY SERVICES FOR EVERYONE IN NSW**



**MAKING IT EASIER TO RUN A BUSINESS**



**STRONG LOCAL INDUSTRY, BIG GLOBAL OUTLOOK - trade and investment**



**ECONOMIC REFORM FOR LASTING PROSPERITY**





## 1. BUILDING A BETTER NSW

The 2020-21 Budget will continue to invest in an infrastructure program that builds a better NSW, with a record infrastructure pipeline of **\$107.1 billion** to ensure the delivery of projects across the State, including vital infrastructure in Health, Education and Transport.

The record **\$107.1 billion** pipeline is estimated to generate 145,000 jobs directly or indirectly each year. This transformational pipeline of infrastructure projects, both planned and already underway, will boost consumer confidence, putting NSW in a strong position to respond to the economic crisis.

### JOBS AND INFRASTRUCTURE ACCELERATION FUND

Underpinning this stimulus is the **\$3 billion** Jobs and Infrastructure Acceleration Fund, which will support 20,000 jobs and deliver new and fast-tracked projects across the State.

Key projects to be delivered from this fund include:

- Commencing work on the **\$385 million** St George Hospital Integrated Ambulatory Care Precinct in Kogarah, and bringing forward \$60 million of the **\$608 million** Sydney Children's Hospital Network redevelopment in Randwick.
- The roll-out of a **\$157.8 million** LED light replacement program in schools across the State to support a more energy efficient operating environment.
- New public schools in Googong, Murrumbateman and Edmondson Park to meet the needs of growing communities and **\$180 million** to upgrade school facilities throughout regional NSW.

- Stage 1 of the Mamre Road upgrade between the M4 and Erskine Park Road with **\$28 million** to accelerate works as well as **\$90 million** for the Spring Farm Parkway Stage 1 upgrade, ensuring that road infrastructure is keeping pace with growing communities.
- Additional investments in the Fixing Country Bridges and Fixing Local Road programs.
- The delivery of more than 80 infrastructure and local community projects in the regions to support the delivery of health, education and recreational activities.

### MAINTENANCE AND SHOVEL-READY STIMULUS PROJECTS

This Budget will also commit to new stimulus spending across the State for maintenance and shovel-ready projects, including:

- **\$812 million** for social and Aboriginal housing across NSW including:
  - \$400 million for the construction and acceleration of new social housing properties.
  - \$200 million to deliver maintenance and upgrades of social housing.
  - \$212 million for the new supply, upgrades and maintenance works of aboriginal housing.
- **\$256 million** for upgrades and maintenance works across National Parks, the Royal Botanic Gardens, Centennial Park, Sydney Olympic Park and the Crown Land portfolio.
- **\$167.7 million** for capital works and maintenance of courts, police stations and corrective services, as well as upgrade of the Goulburn Police Academy into a state-of-the-art training facility.



## RECORD INFRASTRUCTURE PIPELINE

An infrastructure pipeline to deliver vital Health, Education and Transport projects, including:

- **\$10.4 billion** over the next four years for Sydney Metro West. Once completed this project will double the rail capacity between the Sydney and Parramatta CBDs, linking new communities to rail services and supporting both employment growth and housing supply. Sydney Metro West will have a travel time target of around 20 minutes between the two cities and is expected to create about 10,000 direct and 70,000 indirect jobs during construction.
- **\$9.2 billion** over the next four years for Sydney Metro – Western Sydney Airport – the new metro rail will become the transport spine for Greater Western Sydney, connecting communities and travellers with the new Western Sydney International (Nancy-Bird Walton) Airport and the growing region. This city-shaping project will provide a major economic stimulus for Western Sydney, creating more than 14,000 jobs during construction.
- **\$2.2 billion** over the next four years for the Sydney Gateway project. Once completed this project will provide a new high capacity road connection from Sydney Airport and Port Botany to the new WestConnex St Peters Interchange and creating more than 1,000 direct jobs during construction.
- A record **\$10.7 billion** investment in Health infrastructure over the next four years, including completion of the \$673.3 million Tweed Hospital Redevelopment and the \$632 million Campbelltown Hospital Stage 2 Redevelopment.
- A record **\$7.7 billion** invested in Education and Skills infrastructure, with \$1.4 billion in new schools infrastructure funding for new and upgraded schools, and \$100 million for asset replacement and maintenance for TAFE NSW to deliver quality training services.
- **\$100 million** over two years for the Greater Cities and Regional Sports Facility Fund to deliver sports infrastructure grants of up to \$1 million, with a focus on regional NSW.



## 2. INVESTING IN OUR PEOPLE AND THEIR FUTURE — *education, skills and jobs*

This is a Budget to skill up the NSW workforce of today and tomorrow.

The NSW Government is committed to supporting people on every step of the career ladder, from school leavers to working parents and job seekers who are looking to retrain or upskill.

### **UPSKILLING WORKERS**

The NSW Government will invest **\$318.6 million** over two years in the Skilling for Recovery training package — to help job seekers retrain or upskill, and support school leavers entering the workforce for the first time.

This training program will deliver on the NSW Government's commitment, under the Commonwealth JobTrainer Fund, to offer more than 100,000 low cost or fee-free training places to individuals in NSW, with a focus on school leavers disadvantaged by the pandemic.

### **INFRASTRUCTURE APPRENTICESHIPS AND TRAINING PROGRAMS**

Through the Skilling for Recovery program, the NSW Government will significantly increase the apprenticeship intake across Transport for NSW. It will also provide **\$80 million** in support for apprenticeships and cadetships in the community housing and construction sectors and a further 300 traineeships will be created across NSW public sector agencies.

### **TRADE SKILLS PATHWAYS**

Finding smarter ways to train the NSW workforce is critical to lifting the State's productivity. The NSW Government will invest **\$57.4 million** over four years to create a landmark Trades Skills Pathways Centre to address skills shortages in the NSW economy and support employment for women.

*Josh Nickl, 2020 NSW Apprentice of the Year*





## \$318.6 MILLION

over two years in the Skilling for Recovery training package



## GRANTS UP TO \$5,000

for training and support to help women returning to the workforce



## \$337 MILLION

over the 2021 school year to deliver intensive tutoring to NSW schools

It will also develop new pathways to trades qualifications, deliver more flexible training and make trades a better option for women. The Centre will adopt recommendations from the Productivity Green Paper to find better, smarter pathways to skilled trades that match our modern economy.

### FEMALE FOCUSED EMPLOYMENT

To help women return to the workforce, the NSW Government is introducing grants of up to **\$5,000** for training and support.

### THE CARE ECONOMY

The care economy comprises early childhood, community services, social housing, aged care, disability care and personal support. This sector has a large proportion of casual, female workers who have been particularly hard hit by recession.

To assist in revitalising this sector, the NSW Government will provide:

- **\$17 million** for upskilling, mentoring and job matching for people working in the care economy to improve recruitment and retention of care workers and meet the long-term needs of the State's older citizens, those with a disability and others requiring care.

- Up to 20,000 training places to skill people working in aged care to support the growing needs of the sector and **\$2.5 million** to develop a strategic business case for a TAFE aged care centre of excellence training facility.

### EDUCATION

Success in education is about more than just how much money is spent. In addition to additional resourcing, the NSW Government will drive quality outcomes for all students. Measures include:

- An investment of **\$337 million** over the 2021 school year to deliver intensive tutoring for up to 290,000 students in NSW schools – supporting students to recover lost learning time as a result of the COVID-19 shutdowns in early 2020.
- **\$120 million** to extend the existing free preschool program to the end of 2021. This funding will support around 44,000 three to five-year-olds attending community preschool in over 700 community and mobile preschools across the State.



### 3. DELIVERING QUALITY SERVICES FOR THE PEOPLE OF NSW

The NSW Government's core mission is to deliver the services the people of NSW rely on every day to a world class standard. This Budget will deliver with new investment to make services easier than ever to access.

#### HEALTH

The NSW Government's early response to the pandemic turbo-charged the State's health system capacity – quadrupling intensive care capacity in NSW hospitals, resourcing highly effective testing and tracing capabilities, employing effective hotel quarantine and purchasing more than **\$1 billion** in personal protective equipment (PPE) to keep frontline workers safe.

The NSW Government will invest **\$29.3 billion** in recurrent and capital funding in the NSW health system, continuing the COVID-safe measures that have made NSW the standout success of Australia's pandemic response. As nations around the world have gone back into lockdown, the NSW Government's support measures will keep NSW ahead of the virus. These include:

- **\$500 million** to support COVID-19 clinics, hotel quarantine, and increased pathology testing and contact tracing

- **\$385 million** for additional PPE to keep frontline workers safe
- **\$30 million** for additional emergency department attendances and ambulance calls.

In addition, the NSW Government will:

- Increase the digital capability in the State's health system, investing in systems to:
  - Track prescribed medicines associated with a high risk of causing harm or dependence
  - Seamlessly manage the more than 70 million pathology tests undertaken every year across NSW Health.
- Invest **\$45 million** to expand telehealth capacity to deliver faster, more convenient care.
- Increase support for palliative care services to provide the best quality care and support for those reaching the end of their life, with **\$55.9 million** over four years for:
  - An additional 5,000 End of Life support packages to allow people who are dying a choice about the place they spend their remaining days and the care that they receive.
  - Access to specialist allied health professionals, improved bereavement and psychosocial support services, and education and training.





## MENTAL HEALTH

In April, the NSW Government announced a mental health package of **\$73 million**, providing enhanced services to help those in need during the pandemic — recognising that a strong, well-rounded and responsive mental health system is more important now than ever before.

This Budget will commit **\$169.4 million** over four years to provide vital mental health support to ensure more people can find the help they need. Measures include:

- **\$66.2 million** to continue the work of community-based mental health clinicians, including expanding youth mental health services.
- **\$50.4 million** to expand virtual mental health services — enabling greater access to support for people in immediate crisis.
- **\$46.8 million** to recruit 100 wellbeing health and in-reach nurses to provide wellbeing checks in our schools.
- **\$6 million** over three years to establish 12 Mental Health and Community Wellbeing Collaboratives in communities across the State.

## EDUCATION AND SKILLS

The NSW Government will continue its record investment in education including:

- A wide-reaching **\$18.9 billion** investment in recurrent and capital funding for government and non-government schools in 2020-21.
- Broadening the State's supply of quality teachers by developing a mid-career entry pathway into teaching for those outside the profession, in partnership with Teach for Australia.
- **\$2.7 billion** to support a highly skilled and adaptable workforce.
- Ensuring universal access to high quality early childhood education services to three and four year olds.



**\$55.9 MILLION**

over four years for palliative care services to provide the best quality care and support that affirms the dignity of individuals who are reaching the end of their life



**\$169.4 MILLION**

over four years to provide vital mental health support to ensure more people can find the help they need — not only during lockdown but beyond



Ensuring universal access to high quality early childhood education services to three and four year olds

## TRANSPORT

Our **\$33 billion** transport budget over the forward estimates will deliver infrastructure and services for the future, including:

- **\$1.6 billion** for bus services in 2020-21 throughout NSW, including regional and metropolitan bus services, school services and funding of new replacement buses.
- **\$1.1 billion** to continue to deliver More Trains, More Services and more frequent and additional services on the Illawarra, Airport and South Coast lines.

During the pandemic, 50% fare discount for off-peak travel for three months between June and September was offered. Whilst this ended in September, the previous 30% off-peak discount, previously only available for train and metro, was extended to bus and light rail.

## COMMUNITY SUPPORT

This Budget continues to provide vital support for the most vulnerable in our community impacted by the COVID-19 pandemic. This support includes:

- **\$9 million** in 2020-21 to extend targeted support for food charities.
- **\$50 million** in 2020-21 to establish a one-off, time-limited Social Sector Transformation Fund to help charities adapt and respond to the challenges of the COVID-19 pandemic.
- **\$29 million** across 2020-21 and 2021-22 to extend the Together Home initiative building on the Government's previous commitment of \$36 million to the program.
- **\$20 million** expenses over four years for Closing the Gap in accordance with the National Agreement, and support for the equal participation of Aboriginal communities in priority reforms.





### DIGITAL RESTART FUND

Key to delivering quality Government services is ensuring that those services are fit-for-purpose and meet the needs of the community. In this Budget, the Government is pursuing an ambitious transformation agenda driven by digitisation.

Underpinning this transformation is the **\$1.6 billion** Digital Restart Fund (DRF). The fund promotes a whole-of-sector approach to digitisation and service transformation. It also supports job creation by driving productivity and efficiency across the sector.

The 2020-21 Budget contains additional investments for the DRF, including:

- **\$54.5 million** for a major digital courts and tribunals reform project to digitise services, improve productivity in the legal system, enhance processes and improve customer experience.
- **\$45.8 million** to implement the next phase of an end-to-end digital planning service through the ePlanning program. This could improve customer experience by streamlining services within the NSW planning system.
- **\$17.5 million** to improve the online customer experience for key Revenue NSW online services, to ensure integration with Service NSW for taxes and fines.



**\$54.5 MILLION**

for major digital courts and tribunals reform project



**\$45.8 MILLION**

to implement the next phase of an end-to-end digital planning service



**\$17.5 MILLION**

to improve the online customer experience for key Revenue NSW online services



## 4. MAKING IT EASIER TO RUN A BUSINESS

The NSW Government will continue to support our local businesses impacted by COVID-19 with policies to make it easier to run a business – so they can re-build, attract investment and create jobs for the future.

### PAYROLL TAX CUTS

In May 2020, the NSW Government brought forward by one year the increase in payroll tax threshold to **\$1 million**.

This Budget announces a further permanent increase in the payroll tax-free threshold from \$1 million to **\$1.2 million**. This will see 3,500 NSW businesses no longer having to pay payroll tax, freeing up much needed capital for businesses to reinvest.

The NSW Government will also cut the payroll tax rate from 5.45 per cent to **4.85 per cent** from 1 July 2020 for two years.

These tax cuts will provide a saving to businesses of around **\$2.4 billion** for this fiscal year and the next – money that can be spent on employing more people and growing the NSW economy.

### HELPING WITH FEES AND CHARGES

This budget also commits **\$472 million** to provide small and medium size businesses, which do not pay payroll tax, with a \$1,500 digital voucher for the cost of government fees and charges.

### OUT AND ABOUT

The NSW Government will inject up to half a billion in the Out and About program to stimulate spending in the local economy, including restaurants, visitor sites and cultural attractions. Every adult resident will be eligible to claim up to **\$100** in digital vouchers to spend on eating out and entertainment.

This stimulus measure will get money flowing into industries hit hard by the pandemic. It will generate jobs and give the people of NSW a great reason to support their local businesses who need a boost.

### REVITALISATION FUND

The NSW Government will invest **\$15 million** in a partnership with the City of Sydney to help revitalise the Sydney CBD and help business get back on their feet, including through promoting outdoor entertainment and al fresco dining.

### BUSINESS CONNECT PROGRAM

The Budget will extend funding of **\$39.3 million** for the Business Connect program, so more businesses can get the advice they need. During 2020, Business Connect has helped more than 10,000 businesses navigate the challenges of COVID-19.





## 5. STRONG LOCAL INDUSTRY, BIG GLOBAL OUTLOOK — *a focus on trade and investment*

As countries around the world have gone back into lockdown, the pandemic offers an opportunity — to showcase the advantages of living and working in NSW, attract investment and develop global partnerships which strengthen the State's economy and create jobs for the future.

### JOBS PLUS

The NSW Government will encourage domestic and international business into NSW through payroll tax relief and other support as part of a new **\$250 million** Jobs Plus Program.

The Jobs Plus Program aims to create or support 25,000 jobs to 30 June 2022 and will support companies who want to relocate their head offices to NSW or expand their jobs footprint in NSW. It includes payroll tax relief, up to a four-year period, for every new job created where a business has created at least 30 new net jobs.

### GLOBAL STRATEGY

The NSW Government will continue to build NSW's presence on the global stage. This Budget will include a major **\$179.8 million** commitment to grow the trade and investment network offshore to support NSW businesses in key international markets as well as attracting investment from around the world to support business growth and jobs.

As part of the Global NSW Strategy, the NSW Government will create six key hubs globally and appoint an Agent General in the UK and five NSW Senior Trade and Investment Commissioners in Tokyo, New York, Mumbai, Singapore and Shanghai.

This will enable the NSW Government to better connect the State's talent, ideas, products and services to rapidly growing markets and build partnerships with established markets to bring new investment to NSW.

### LOCAL TRADE AND INDUSTRY

This Budget will support the growth of the State's advanced manufacturing sector — supporting a new industry strategy that will create more jobs across a range of industries, including premium food and beverage production, medical devices, defence and space. It will also help to drive the development of emerging industries from cyber security to MedTech, and other digital technologies.

The NSW Government will continue to invest in strengthening and growing the industrial foundations of the State and create new pathways to take NSW to the world.

### MADE IN NSW

This Budget will bring relief to sectors hit hardest by COVID-19 — tourism, hospitality and the arts. This includes **\$175 million** in additional funding for investment in new film and TV projects.



The Budget will also invest:

- **\$100 million** in grants to the Regional Jobs Growth Fund to incentivise businesses in regional NSW to invest, expand their operations, get new customers through the door and create new jobs.
- **\$300 million** over two years to the Regional Growth Fund to deliver an extra new round of economic development and job creation programs such as Stronger Country Communities program.



## 6. ECONOMIC REFORM FOR LASTING PROSPERITY

Swift and unprecedented government action has mitigated the worst economic and health impacts of the COVID-19 pandemic in NSW. While this assistance is critical to shielding business and the broader community from this extraordinary event, the longer-term health of our economy requires a steady return to robust competition and a business-led recovery.

Productivity reform is the most powerful tool we have to sustain and drive real improvement. Unlike fiscal support, productivity reform doesn't create debt for future generations, and the benefits are long-lasting.

To build upon the success of changes introduced during COVID-19, this Budget includes an ambitious reform agenda to ensure prosperity for future generations.

Leveraging the NSW Productivity Commission's Green Paper and the Thodey review of Federal Financial Relations, this Budget provides additional investment for a suite of reforms. These reforms are designed to:

- Take the first steps in reforming inefficient taxes.
- Deliver a more streamlined and timely planning system to accommodate new businesses.
- Improve student outcomes and ensure workforce flexibility.
- Introduce regulatory changes to support innovation, competition and economic growth.

### TAX REFORM

To tackle an inefficient property tax system, over the coming months the Government will seek feedback from the public on a possible transition away from the current transfer duty and land tax system. The outcome of this transition would be lower barriers to home ownership, and a boost to long-term growth.

### DELIVER A STREAMLINED AND TIMELY PLANNING SYSTEM

- **Cutting assessment times**  
Reducing red tape and complexity in the planning system to bring NSW approval assessment times in line with other jurisdictions.
- **Optimising industrial land use**  
The Government will review the retain-and-manage category of industrial and urban services lands to enable greater flexibility of land use to generate greater economic value and employment.
- **Reforming infrastructure contributions**  
To increase certainty and simplicity across the contributions system, drawing on the recommendations of the Review of Infrastructure Contributions.
- **Consolidating employment zones**  
The Government will increase flexibility within employment zones to enable a broader range of activities to allow land to adapt as the economy evolves, reducing constraints on businesses that do not fit neatly into current definitions.



## IMPROVE STUDENT OUTCOMES AND ENSURE LONG-TERM LABOUR FORCE FLEXIBILITY

- **Mid-career teaching pathways**  
Developing a bespoke model in partnership with Teach for Australia to attract mid-career professionals into teaching. This program will target subject areas in STEM, and help fill critical shortages in disadvantaged and remote schools.
- **Skills reforms**  
The Government is pursuing ambitious reforms to ensure longer-term labour force efficiency and flexibility. This includes establishing the Trades Skills Pathways Centre to introduce new pathways into trades, particularly for mature workers and women; and investing in growing jobs in the care sector (refer to the **Investing in our people and their future** section).

## REDUCE REGULATION, SUPPORT INNOVATION AND BUSINESS GROWTH

- **Automatic mutual recognition of occupational licences**  
NSW is working with the Commonwealth and other States and Territories to remove requirements for occupational licensees to apply and pay licence fees when temporarily working in another jurisdiction, promoting the free flow of labour between jurisdictions.
- **Improving the regulatory experience**  
The NSW Treasurer will lead a whole-of-government evaluation of targeted regulatory relaxations implemented at the height of the pandemic to assess their costs and benefits. By retaining the best of these reforms, the Government will promote a stronger recovery.









**CREATING JOBS *and*  
SECURING OUR FUTURE**